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WASHINGTON, D.C. 20554

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Federal Communications Commission
Office of the Secretary

In the Matter of)

Billed Party Preference)
for 0+ InterLATA Calls)

CC Docket No. 92-77

**REPLY COMMENTS OF ADVANCED TELECOMMUNICATIONS CORPORATION,
AMERICALL SYSTEMS, INC. AND FIRST PHONE OF NEW ENGLAND, INC.**

Advanced Telecommunications Corporation and its wholly-owned subsidiaries, AmeriCall Systems, Inc. and First Phone of New England, Inc. (collectively "ATC"), by their undersigned counsel, hereby submit these reply comments concerning the Commission's proposal to forbid the use of "0+" dialing in conjunction with proprietary IXC calling cards. As shown below, the Commission does not have to require IXCs to share billing and validation information with each other to solve the calling card conundrum. Rather, the Commission merely needs to ensure that common carriers comply with the non-discrimination provisions of the Communications Act.

**I. THE RECORD SUPPORTS A SOLUTION WHICH PREVENTS
UNFAIR EXPLOITATION OF MARKET SHARE WHILE
PROTECTING PROPRIETARY INFORMATION.**

Various IXC and LEC comments in this proceeding have proven the compelling need to correct the disequilibrium created by AT&T's inheritance of the Bell System calling card base and its deft conversion of this shared resource into a "proprietary" calling card base. The initial comments further demonstrate that although Bellcore's CIID card issuance scheme has an abstract appeal, it is

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not a workable plan for a marketplace with more than one carrier. This is because of AT&T's overwhelming and, like its calling card base, inherited - dominance in "0+" presubscription for public telephones.¹

Finally, the initial comments demonstrate the important public interest considerations in:

1. Preserving "0+" as an access alternative for calling card calls from public locations;
2. Allowing IXCs to issue proprietary calling cards usable by that IXC and no other carrier; and
3. Ensuring that AT&T's customers and its competitors do not suffer unfairly as a result of AT&T's schemes to remonopolize "0+" presubscription and mislead consumers into destroying their LEC joint use calling cards.

All of these public interest needs may be met using a plan which is easy to administer and in harmony with the Communications Act. The solution, which will not require AT&T to share its proprietary customer information with its competitors, involves two simple steps:

1. AT&T must be ordered immediately to either offer validation and billing services to all common carriers or to no carrier; and

¹As described in PhoneTel Technologies' initial comments, despite the Consent Decree's equal access requirements, until 1989 AT&T had a complete monopoly on "0+" interLATA traffic from BOC and GTE payphones. The inertia produced by this five year head start obviously benefits AT&T today, since 80% of public phones are still presubscribed to AT&T. See PhoneTel Technologies' comments at 4, fn 4.

2. AT&T must be ordered to reissue its calling cards with new and correct dialing instructions and inform its customers that universally acceptable "0+" calling cards are available from their local telephone company.

**II. AT&T'S PROVISION OF "LIDB-LIKE" VALIDATION IS A
COMMUNICATIONS SERVICE SUBJECT TO TITLE II OBLIGATIONS.**

Less than two months ago, the Commission confirmed that LEC LIDB validation services are common carrier communications services subject to the non-discrimination requirements of Title II of the Communications Act.² Several commenting parties have demonstrated how AT&T's provision of validation service to LECs is functionally equivalent to LIDB service and is therefore a communications service subject to the non-discrimination provisions of Title II of the Communications Act.³ These parties illustrate how the Commission's LIDB analysis applies "with equal force to the issuance, use and validation of AT&T's CIID cards,"⁴ and argue persuasively that the Commission has jurisdiction to solve the CIID card problem by enforcing Section 202(a) of the Act.⁵

²Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards, CC Docket No. 91-115, FCC 92-168, Report and Order and Request for Supplemental Comment, released May 8, 1992.

³See, e.g., Comments of BellSouth at 2; Pacific Bell Comments at 3-5; Value Added Communications Comments at 3-4.

⁴BellSouth Comments at 3.

⁵Value Added Communications Comments at 4.

A. AT&T is Violating the Communications Act by Offering Validation and Billing Services Only To LECs and Selected IXCs.

There is an important corollary to the statutory analysis provided by BellSouth and others. Today AT&T provides CIID validation services to all LECs and two IXCs. Assuming AT&T refuses to share access to its CIID card database with competitors other than local exchange carriers, Airfone and Alascom, AT&T has a duty under the Communications Act to cease providing CIID card validation service to any carrier.

B. If AT&T Desires to Prevent Its IXC Competitors From Validating Its CIID Cards, It Must Stop Allowing Any LEC or IXC to Validate Its Card.

AT&T can no longer have it both ways. Either the CIID card is proprietary or it must be available to any carrier choosing to accept it. This choice may be left to AT&T. AT&T could render AT&T's card truly proprietary, thereby satisfying its Title II obligations, and the objectives of all others concerned. There would be benefits for AT&T. AT&T would protect its proprietary information. AT&T would finally have a genuine reason to instruct its customers in the use of 10XXX access. This is because intraLATA calls dialed on a "0+" basis would be routed to LECs, who would not accept the AT&T CIID card. Since the average caller does not know if his call crosses a LATA boundary, callers would soon realize that the 10288 access code would need to be dialed each time the card was utilized. The differences between proprietary access code calling cards and "0+" LEC joint use calling cards would finally become clear to millions of customers formerly misled

by AT&T. Once these differences were understood, consumers would have an easy choice - either they would select a LEC joint use calling card utilizing "0+" access, or they would select an IXC proprietary calling card usable only with an access code.

It might appear counter-intuitive to require "10288 + 0" dialing from lines already presubscribed to AT&T. However, under the plan set forth above, AT&T customers would still have the option to dial "0+" from lines presubscribed to AT&T, subject to their understanding that no other carrier, IXC or LEC, would accept the AT&T calling card. ATC believes this a burden AT&T's customers can live with. ATC's customers already do.

**III. WIDESPREAD AVAILABILITY OF LEC CALLING CARDS
WILL ENSURE FUTURE VIABILITY OF "0+" DIALING.**

The Commission has tentatively concluded to implement a system of Billed Party Preference and is seeking comments on how such a scheme would work. Central to the workability of Billed Party Preference is the use of "0+" dialing to route interLATA calls to the billed party's preferred carrier. It is obvious that Billed Party Preference would have limited utility in a world where the majority of interexchange calls are dialed using access codes. However, once LECs stop accepting the AT&T card for intraLATA calls, their own joint use calling cards will become essential for callers who wish to continue dialing calls on a "0+" basis. Thus, LECs and their calling cards can fill any gaps left once AT&T ends its discriminatory validation practices. Widespread availability of joint use cards would preserve "0+" dialing.


IV. CONCLUSION.

For the reasons stated above, ATC urges the Commission to order AT&T to comply with its non-discrimination obligations and either open up its CTIN card database to all carriers or cease providing validation services to any carrier.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing REPLY COMMENTS OF ADVANCED TELECOMMUNICATIONS CORPORATION, AMERICALL SYSTEMS, INC. AND FIRST PHONE OF NEW ENGLAND, INC. were sent via first-class mail on this the 17th day of June, 1992, to the below listed parties:

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